

Current Conditions and DAS Solutions

Opportunities for Improvement in the Department of Administrative Services

STATUS QUO	PLANNED DAS IMPROVEMENTS
<p>Internal customers are not a priority.</p> <ul style="list-style-type: none"> • Customers may be required to use certain services. • Customers have no say over rates. • Customers have little recourse for poor service. 	<p>Internal customers are the focus of activity.</p> <ul style="list-style-type: none"> • In many cases, customer can choose what and from whom they will buy. • Customers have input into rates through their buying decisions or, for monopolies, through customer councils. • Customers have a voice through customer councils.
<p>There is little accountability for services bought or sold.</p> <ul style="list-style-type: none"> • The unit cost of services is unknown. • Inter-agency billings are not visible in the budgeting process; amounts are not known in time to be considered in budgeting. • Finances are difficult to manage because of the complex budgeting and appropriations process. 	<p>Managers have increased accountability for what they buy and sell.</p> <ul style="list-style-type: none"> • Unit cost of services is known. • Business plans and profit and loss statements are a primary consideration in setting the cost of services. • A single framework for budgeting and appropriations is used for all DAS financing.
<p>It is difficult to implement process changes in delivery of programs and services.</p> <ul style="list-style-type: none"> • Rigid controls over staffing and funding limit agencies to certain ways of doing business. 	<p>Change in the structure of programs or services is easier to implement.</p> <ul style="list-style-type: none"> • Business units can adjust expenditures and staffing to meet customer demand for their services.
<p>Resource limitations make it difficult to do the job.</p> <ul style="list-style-type: none"> • Agencies to be included in DAS lost \$9.2 million in General Funds in their FY '01 and FY '02 budgets. • Tax receipts are also down. • Service levels have been reduced. 	<p>Agencies have more flexibility in using reduced resources to get the job done.</p> <ul style="list-style-type: none"> • Departments can redirect funds and staff to priorities. • Inefficient services are discontinued. • Agencies can economize and match the services customers need with the services they provide.
<p>Inequitable billing and federal funding problems complicate agency financial management.</p> <ul style="list-style-type: none"> • The current structure hides cross-subsidization. • For “free” internal services, customer agencies have no incentive to use only the amount of the service needed. • Federal over-billing creates a liability. 	<p>The new system provides a foundation for greater equity.</p> <ul style="list-style-type: none"> • Cleaner accounting eliminates potential for cross-subsidization and shows managers actual costs. • Federal over-billing cannot be corrected without legislative involvement.